FORM MR-AR (Revised 3/98)

General information

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 1594 West North Temple – Suite 1210 Box 145801 Salt Lake City, Utah 84114-5291

Salt Lake City, Utah 84114-529 Telephone: (801) 538-5291 Fax: (801) 359-3940 RECEIVED

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DIV. OF OIL, GAS & MINING

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Lan I Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an arnual operations and progress report (FORM MR-AR) with the Division.

	1.	Report Time Periods: From (mo./yr.) Jan. 2002 To (mo./yr.) Dec. 2002
	2.	DOGM File Number (Mine No.) S/470/063
	3.	Mine Name: Neal #1, #2, and #3
	4.	Mineral(s) Mined (or permitted to mine): Gilsonite
	5.	Type of Mine: Surface Mine or X <u>Underground Mine</u>
	6.	Legal Description (Location of Lands Affected):
	4.6.4	1/4, NW 1/4, SW 1/4, Section 32_, Township 11S_, Range 24E_
		1/4, 1/4, Section , Township , Range
		1/4, 1/4, 1/4, Section , Township , Range
	7.	Name of Operator or Company: Ziegler Chemical & Mineral Corp.
	8.	Permanent Street Address:100 Jericho Quadrangle, Suite 140
		City, State, Zip: Jericho, New York 11753
		Phone: (516) 681-9600 Fax: (516) 681-9604
	9.	Company Representative (or designated operator):
		Name: Stan Wagner
		Title: Mine Superintendent
		Business Address: Star Route
		City, State, Zip: Vernal, Utah, 84078
		Phone: (435) 789-3593 Fax: (435) 789-3593
		Please check if any of the above information has changed since prev ous year.
П.	Mini	ng and Reclamation
	1.	Was there any mine related activity during the past year? Yes X No □
	2.	If no, what was the last year of activity?
	3.	If yes, how much ore or mineral was mined: 38.5 ton



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 Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year.

We did some exploratory mining at this site during 2002. No new disturbances have occurred.

5. How much additional acreage was disturbed during the past year? None

6. How much acreage was reclaimed during the past year. None

 Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

None

8. What is the total disturbed acreage of entire project at years end. 2.7 acres.

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

We will do some work securing the portal into the mine in 2003 If the economy improves, ZCMC will return to this site and commence mining.

NOTE: Section III., "Additional Information" applies only to large mining operations.

III. Additional Information

- An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
- Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Printed):

Title of Operator:

Signature of Operator:

Date:

Stan Wagner

Mine Superintendent

January 15, 2003

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